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Mr. W. O. WRIGHT:—"I should like to ask the hon. Minister whether the distillation of illicit spirit in South Kanara and elsewhere is not directly encouraged by the high cost of licit spirit due to the present excessively high excise duty?" (Inaudible).

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—"Notice, Sir."

Toddy shop sales in 1933–34.

* 275 *Q.*—Mr. K. A. NACHIYAPPA GOUNDER: Will the hon. the Minister for Education and Excise be pleased to state—

(*a*) whether the sales of toddy shops are over in all the districts;

(*b*) what the income in each district this year is as compared with the previous three years; and

(*c*) how many shops are in existence this year as compared with those in the previous three years?

A.—(*a*) The Commissioner of Excise has reported that the sales of toddy shops for the lease year 1933–34 are practically over in all districts.

(*b*) *&* (*c*) The Government have not the information but have called for it.

Mr. BASHEER AHMED SAYEED:—"May I ask whether there is any definite period within which all the sales should be over in the district?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—"I do not think there is any such limit of time."

Rules for the reconstitution of Excise Advisory Committees.

* 276 *Q.*—Mr. K. A. NACHIYAPPA GOUNDER: Will the hon. the Minister for Education and Excise be pleased to state—

(*a*) whether fresh rules have been framed in respect of the reconstitution of Excise Advisory Committees;

(*b*) if so, what they are; and

(*c*) if not, whether there are any proposals to frame such rules?

A.—(*a*), (*b*) *&* (*c*) The hon. Member is referred to the answer given to question No. 23 at the meeting of the Legislative Council held on 1st August 1933. The Commissioner's report on the subject has been received recently and is under the consideration of the Government.

Industries.

Proposal to abolish the Government Leather Trades Institute.

* 277 *Q.*—B. POCKER SAHIB Bahadur: Will the hon. the Minister for Education and Excise be pleased to state—

(*a*) whether there is any proposal before the Government to abolish the Government Leather Trades Institute and, if so, what the reasons are on which such proposal is based; and

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(b) whether the Government have consulted the various Chambers of Commerce and the Southern India Skin and Hide Merchants' Association on the question of the abolition of the Leather Trades Institute, and, if so, what the bodies consulted are and what the opinions, if any, given by such bodies are?

A.—(a) Yes; the Retrenchment Committee have recommended that if it is not possible to recover the full cost of the work done on behalf of the tanning industry at the Leather Trades Institute, either in the form of a contribution from the trade or by the levy of a regular cess on hides, the Institute should be closed down. This recommendation is under consideration.

(b) The Madras and Southern India Chambers of Commerce and the Southern India Skin and Hide Merchants' Association were consulted by the Director of Industries and they are of opinion that either a cess of 2 per cent should be levied on the raw hides and skins exported from this Province and the Leather Trades Institute maintained out of its proceeds or it should be maintained at the cost of Government.

B. POCKER SAHIB Bahadur:—"May I know, Sir, whether it is a fact that there are other industries which are helped by the Government at Government expense by maintaining such institutions as the Textile Institute, the Cattle Farm Institute, and so on?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—"I do not think there is a Cattle Farm Institute. There is a Textile Institute maintained by the Government."

B. POCKER SAHIB Bahadur:—"In view of that, what is the real reason why this particular Leather Institute is proposed to be abolished?

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—"It is a matter which has been fully gone into by the Retrenchment Committee, and they took all facts into consideration, and made this recommendation to the Government."

B. POCKER SAHIB Bahadur:—"I should like to know what the real reasons are for such a proposal. The reason is not given in the answer?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—"The reason is that the Institute in the opinion of the Retrenchment Committee is not doing enough work for the money spent on it."

B. POCKER SAHIB Bahadur:—"In view of the opinion given by such bodies as the Southern India Chamber of Commerce and the Skin and Hides Merchants' Association, is the Government right in thinking that the Institute is not doing useful work?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—"I do not know if, after all, theirs is the last word in the matter."

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Mr. Basheer Ahmed Sayeed :—" May I ask whether any report has been issued by those who were doing research work ever since this Leather Institute was converted into a Research Institute? "

The hon. Diwan Bahadur S. Kumaraswami Reddiyar :—" Oh, yes."

Mr. Basheer Ahmed Sayeed :—" May I know what the nature of the research that has been made? "

The hon. Diwan Bahadur S. Kumaraswami Reddiyar :—" They have been making researches on stains, and I cannot say from memory on what other matters they have done research."

Mr. Basheer Ahmed Sayeed :—" Has it improved the leather industry or benefited those who are concerned with the trade? "

The hon. Diwan Bahadur S. Kumaraswami Reddiyar :—" It is clear from the opinion of these Associations that the Institute does seem to have done something."

Mr. Abdul Hameed Khan :—" May I know whether the Textile Institute is working at a profit or at a loss? "

The hon. Diwan Bahadur S. Kumaraswami Reddiyar :—" The Institute is not expected to make any profits. The expenditure is incurred from Provincial revenues for the benefit of the industry concerned."

Mr. A. Ranganatha Mudaliyar :—" Will the hon. the Minister tell us how long this recommendation of the Retrenchment Committee is under consideration, and when they are likely to come to a decision? "

The hon. Diwan Bahadur S. Kumaraswami Reddiyar :—" For over a year, it has been under consideration. I cannot say when a decision will be come to."

Mr. Abdul Hameed Khan :—" In view of the fact that the South Indian Chamber and the Hide Merchants' Association have agreed to the levy of a cess on raw hides and skins, will not the Government consider the question of the retention of the Institute? "

The hon. Diwan Bahadur S. Kumaraswami Reddiyar :—" The levy of the cess will not affect those that recommend it. It will affect only other interests."

Mr. Abdul Hameed Khan :—" I am afraid the hon. the Minister has not understood me aright. The Government have decided to retrench this Institute on account of financial considerations. These two commercial bodies have come forward with a suggestion which will enable Government to meet the cost of maintaining the Institute. In the circumstances, will not the Government consider the retention of the Institute? "

The hon. Diwan Bahadur S. Kumaraswami Reddiyar :—" The objection to the proposal is that this cess will not affect the people who propose it. It will affect only the producers of raw skins and hides."

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B. POCKER SAHIB Bahadur:—" Why is the Government so anxious to take the contribution from the tanners, while they do not levy any such contribution on other industries like the textile industry and so on and while they are maintaining such institutions as the Textile Institute at the expense of Provincial funds?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" The work of this Institute profits only the tanners and it is only they that should pay the whole or part of the cost."

B. POCKER SAHIB Bahadur:—" Does not the Textile Institute benefit the textile industry?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" It does. But it does a great deal of good to the public in general."

Khan Bahadur P. KHALIF-UL-LAH SAHIB Bahadur:—" May I know, Sir, whether the Government are aware that there is a strong feeling among the hide and skin merchants that the Institute is not doing very much useful work now?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" My other hon. Friends have been suggesting just the opposite."

Mr. YAKUB HASAN:—" May I ask the hon. the Minister whether he is aware that the levy of a cess on raw skins and hides will ultimately affect the leather industry, because this cess will increase the price of raw skins and hides and restrict their export which will benefit the tanning industry?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" It is a very complicated question for me to answer."

Mr. BASHEER AHMED SAYEED:—" May I ask whether the Government have examined the proposal of levying a 2 per cent cess on raw skins and hides, and if so whether they have sent up any proposals to the Government of India for the imposition of such a levy?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" I cannot say exactly what we are doing at the present moment in the matter. We have been corresponding with the Government of India on the subject."

Mr. YAKUB HASAN:—" Why should not the Minister advise the levy of this cess, if it does not affect the tanners?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" It affects the people who will not be benefited by this cess. There are also administrative difficulties in regard to the levy of the cess."

Mr. YAKUB HASAN:—" Who are the people who will be affected? The skins and hides trade?"

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" The man who is the producer of the skin, agriculturists and people like that, will be affected by this cess, but they are not to be benefited by it."

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B. POCKER SAHIB Bahadur:—" Are the Government aware that it is absolutely certain that the levy of this cess as proposed by the Indian Chamber of Commerce and the Hide Merchants' Association will fall on the foreign purchaser of leather and not on the producer here? "

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" The Government are not satisfied that that is so."

Mr. F. BIRLEY:—" Are the Government aware that the proposed cess of 2 per cent will mean a levy of approximately Rs. 50,000? "

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" I am not sure about the figures."

Mr. F. BIRLEY:—" Are the Government aware that non-official opinion in this Presidency is very definitely opposed to doing away with the Leather Trades Institute? "

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" That is why we are hesitating to abolish it."

B. POCKER SAHIB Bahadur:—" Are the Government aware that even the Madras Chamber of Commerce is opposed to the abolition of the Leather Trades Institute? "

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" I suppose so."

Mr. BASHEER AHMED SAYEED:—" Are the Government aware that the Public Accounts Committee definitely recommended more than once the closure of this Institute? "

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" That is a suggestion to be put to the other hon. Members who advocate the opposite view."

Mr. F. BIRLEY:—" Are the Government aware that the Madras Chamber of Commerce has not supported the Government's intention to do away with the Leather Trades Institute? "

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" I cannot say offhand. I believe it is so."

Mr. YAKUB HASAN:—" In view of the strong representations for the retention of the Leather Institute, will the Government be pleased to make up their minds to retain it? "

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR:—" I cannot make any promise as to how Government will decide the matter."

Extent of import of Japanese rice into the Presidency.

* 278 *Q.*—Mr. P. V. KRISHNAYYA CHOUDARI: Will the hon. the Minister for Education and Excise be pleased to state—

(*a*) whether Government have information regarding the quantity of Japan rice imported into the Madras presidency during 1932–33 and in 1933–34 till now; and if so, what it is; and

(*b*) what steps have been taken by the Government to prevent foreign competition in the rice market?